

Senate File 451 - Introduced

SENATE FILE _____
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO SF 234)

(COMPANION TO HF 404 BY
S. OLSON)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to enterprise zones that include the site of a
2 biodiesel or biodiesel blended fuel production facility.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1898SV 82
5 tm/gg/14

PAG LIN

1 1 Section 1. Section 15E.196, subsection 3, Code 2007, is
1 2 amended to read as follows:
1 3 3. a. Investment tax credit of up to ten percent, as
1 4 provided in section 15.333.
1 5 b. For purposes of the tax credit provided in paragraph
1 6 "a", if the eligible business is a biodiesel or biodiesel
1 7 blended fuel production facility, the department of economic
1 8 development shall issue a biodiesel enterprise zone investment
1 9 tax credit certificate to be attached to the taxpayer's tax
1 10 return. The tax credit certificate shall contain the
1 11 taxpayer's name, address, tax identification number, the date
1 12 of project completion, the amount of credit, other information
1 13 required by the department of revenue, and a place for the
1 14 name and tax identification number of a transferee and the
1 15 amount of the tax credit being transferred. Tax credit
1 16 certificates issued under this paragraph may be transferred to
1 17 any person or entity. Within ninety days of transfer, the
1 18 transferee must submit the transferred tax credit certificate
1 19 to the department of revenue along with a statement containing
1 20 the transferee's name, tax identification number, and address,
1 21 and the denomination that each replacement tax credit
1 22 certificate is to carry and any other information required by
1 23 the department of revenue. Within thirty days of receiving
1 24 the transferred tax credit certificate and the transferee's
1 25 statement, the department of revenue shall issue one or more
1 26 replacement tax credit certificates to the transferee. Each
1 27 replacement certificate must contain the information required
1 28 for the original tax credit certificate and must have the same
1 29 expiration date that appeared on the original tax credit
1 30 certificate. Tax credit certificate amounts of less than the
1 31 minimum amount established by rule of the department of
1 32 economic development shall not be transferable. A tax credit
1 33 shall not be claimed by a transferee under this paragraph
1 34 until a replacement tax credit certificate identifying the
1 35 transferee as the proper holder has been issued. The
2 1 transferee may use the amount of the tax credit transferred
2 2 against the taxes imposed under chapter 422, divisions II,
2 3 III, and V, and under chapter 432, and against the moneys and
2 4 credits tax imposed in section 533.24, for any tax year the
2 5 original transferor could have claimed the tax credit. Any
2 6 consideration received for the transfer of the tax credit
2 7 shall not be included as income under chapter 422, divisions
2 8 II, III, and V, under chapter 432, or against the moneys and
2 9 credits tax imposed in section 533.24. Any consideration paid
2 10 for the transfer of the tax credit shall not be deducted from
2 11 income under chapter 422, divisions II, III, and V, under
2 12 chapter 432, or against the moneys and credits tax imposed in
2 13 section 533.24.
2 14 c. For purposes of this subsection, the terms "biodiesel"

2 15 and "biodiesel blended fuel" mean the same as defined in
2 16 section 214A.1.

2 17 EXPLANATION

2 18 This bill relates to enterprise zones that include the site
2 19 of a biodiesel or biodiesel blended fuel production facility.

2 20 Currently, an eligible business under the enterprise zone
2 21 program may elect to receive an investment tax credit as one
2 22 of the incentives and assistance under the program. The bill
2 23 provides that if the eligible business is a biodiesel or
2 24 biodiesel production facility the investment tax credit under
2 25 the program is transferable. The bill provides a procedure
2 26 for the issuance of biodiesel enterprise zone investment tax
2 27 credit certificates required for the transfer and claiming of
2 28 the tax credit. The bill allows a transferee to use the
2 29 amount of the tax credit transferred against individual and
2 30 corporate tax liabilities, franchise tax liabilities for
2 31 financial institutions, insurance premium tax liabilities for
2 32 insurance companies, and the moneys and credits tax. The bill
2 33 provides that the transferee may claim the tax credit for any
2 34 tax year the original transferor could have claimed the tax
2 35 credit.

3 1 LSB 1898SV 82

3 2 tm:sc/gg/14